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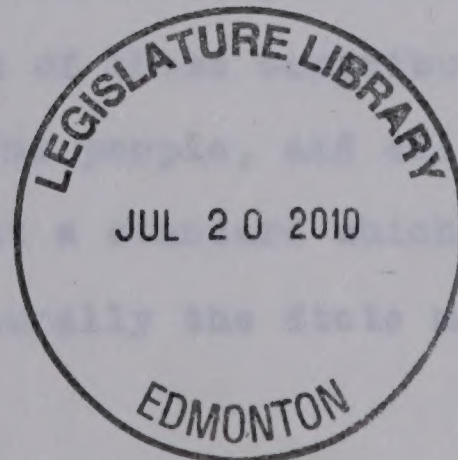



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REPORT OF
HEALTH INSURANCE COMMITTEE
OF
LEGISLATIVE ASSEMBLY
PROVINCE OF ALBERTA.

This report contains a summary of the Committee's findings on the proposed Federal and Provincial Health Insurance Bills as at June, 1943. This Committee has no official information as to the changes in these proposed Bills which have been mentioned in the public press during February, 1944.

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The Special Committee appointed by the Legislative Assembly to study the proposed Federal Health Insurance legislation, after a three day study of the proposed plan, begs to submit the following memoranda.

One of the greatest, if not the greatest asset of a State, is the good health of its people. The Medical Profession has long declared that its members have, at all times, been willing to give their services to all persons who needed such services, without much regard for the person's ability to pay for the services. One would suppose that this attitude would ensure a fairly comprehensive medical service, that all or nearly all who needed such services, could get them. But somehow, for various reasons, this desirable end has not been attained. Often there is a disastrous time-lag between the necessity for and the receiving of the services; sometimes the services are not available at all. For humanitarian reasons, a better service is desirable. Casting about for a solution, it becomes apparent that, in addition to a more comprehensive medical service, there are other interlacing factors worthy of serious consideration. Among these are hospital services, nursing services, dental services, the prevention of disease, public health, housing, nutrition and many others. Each of these contributes, in more or less degree to the health of the people, and all are necessary if health is to be maintained at a standard which could be deemed satisfactorily good. Naturally the State must

take a dominant interest in securing the good health of its people; it would seem equally natural that the State should take the lead. As the needed services cover a wide field, and so could be attained only at considerable cost, and as the State is the body best able to raise the necessary funds, again the State should take the lead. Hence a State plan for some way of providing these services naturally follows, as the means and probably the only means of attaining the desired end, i.e. that of furnishing to all the people, or as nearly all as is possible, all of the available health services, at the lowest possible cost. As "Health Insurance" is an attempt at such a plan, the Committee goes on record unanimously endorsing the principle of Health Insurance.

In the proposals of the plan studied, the following are the benefits provided:

- Medical
- Surgical
- Obstetrical
- Specialists and consultants service
- Special technical and ancillary services
- Hospitalization
- Dentistry and Dental Hygiene
- Nursing
- Pharmaceutical supplies and appliances
- Preventive medicine
- Communicable disease control
- Industrial hygiene
- School health services
- Nutritional education
- Laboratory facilities
- Social hygiene
- General sanitation

Financing of The Plan

The Dominion Bureau of Statistics has supplied information to us relating to estimated costs of Health Insurance, as proposed in the Federal Health Insurance Act, on the basis of 1938 population and 1938 earning capacity. Apparently 1938 was used on the assumption that it was a fairly normal year.

Their figures state that each person would, on the average require \$20.61 in services each year and that it would cost an extra 10% or \$2.06 per person per year to administer. It would, therefore be necessary to provide \$22.66 annually for each person in the province or a total of \$17,752,000.

Of this sum it is suggested that the Federal Government supply one sixth of the operating cost or \$2,819,000 which amounts to \$3.60 per person, leaving the province to find \$14,933,000. Also the Federal Act stipulates that the province must expand its present Public Health set-up considerably in order to obtain this Health Insurance grant. To help support this increased service it is proposed that the Federal Government provide an additional sum of little under \$400,000.00. This is based on one ninth of the operating cost of these services but does not make any allowance for the necessary capital expenditure involved in building Tuberculosis Sanitaria, Mental Hospitals or other institutions that would be required to provide the additional services.

When these costs are broken down, and again accepting the figures of the Dominion Bureau of Vital Statistics, we find that it will be necessary to provide \$25.41 for every resident of the province who has attained his 17th birthday, (530,612), in addition to the \$3.60 provided by the Dominion Government for every resident of the province (783,000).

The method of collecting this \$25.41 for every resident 17 years and over is incorporated in a proposed Provincial Health Insurance Act which is set up in a Schedule to the Federal Act.

Two methods of collection are provided. For individuals on definite wages or salaries it is proposed that the necessary premium for the wage earner and for his dependents shall be deducted from his wages by the employer and remitted to the Health Insurance fund. The amount collected from the wages varies from 3% to 4.95% depending on the number of dependents. In this scheme it is not required to pay a premium for children who have not yet reached their 17th birthday but a separate premium is required for a wife or other dependent who has reached his 17th birthday. If the wages at 3% do not provide the necessary premium of \$25.41, then the employer must put up the difference while if the deduction does not provide the necessary \$25.41 for each dependent, the province must provide that difference. The following table is submitted merely as an illustration.

	<u>Earning</u>	<u>Employee Pays</u>	<u>Employer Pays</u>	<u>Province Pays</u>
Employee with no } adult dependents)	Under \$847	3%	To make \$25.41	Nothing
	Over \$847	\$25.41	Nothing	Nothing
Employee with 1 } adult dependent)	Under \$847	3.7%	To make \$25.41	To make \$50.82
	\$847-\$1373	3.7%	Nothing	" " "
	Over \$1373	\$50.82	Nothing	Nothing
Employee with 2 } adult dependents)	Under \$847	4.3%	To make \$25.41	To make \$76.23
	\$847-\$1773	4.3%	Nothing	" " "
	Over \$1773	\$76.23	Nothing	Nothing
Employee with 3 } or more adult } dependents)	Under \$847	4.95%	To make \$25.41	To make \$101.64
	\$847-2054	4.95%	Nothing	" " "
	Over \$2054	101.64	Nothing	Nothing

In interpreting these figures one should remember that children under 17 years of age are not paid for by the parent nor the employer but out of the general revenue of the fund. Also one should observe that no person pays higher than \$25.41 for himself and each of the first three dependents no matter how much his income may be. This means that an employee is not required to contribute more than \$101.64 regardless of income and regardless of the number of dependents.

All "working proprietors" and "income recipients without occupation" are treated as "assessed contributors" and this includes all farmers and other people who are not working for a definite wage or salary.

These people are assessed on the value of their "real and personal property" by a special assessment, separate from the present municipal assessment and equalized across the province by

a series of special samples. When the value of this property has been determined the income from it is assumed to be at a certain rate which will be set from time to time. The premium to be paid by the "assessed contributor" is then collected on the same basis as though this income had actually been received as wages. There is no employer in the case of these "assessed contributors" so the province is held responsible for the deficit, if any, in the premium. As in the case of wage earners, "assessed contributors" with large incomes pay only the amount of the assessment but in no case more than \$101.64.

Penalties are provided for non-payment and regulations may be made requiring the local municipality to collect the premium.

Numerous other provisions arrange means of collecting from people who work only part time, those who work for several employers, those who take in piece work to work on at home, etc., and provision is also made for the use of Health Insurance Stamps and Health Insurance books necessary for the collection of the premiums. Many special rules are in the Act regarding collections from various classes of people who may be difficult to find or from whom it may be difficult to obtain the proper share of the wages.

Cost of Administration

To keep track of the various contributors, collect the necessary funds and provide the prescribed services will, according to the Federal Statisticians, cost \$1,614,000.00 which sum is to

be provided by the provincial government.

The Committee is doubtful regarding the interpretation on several points in the proposed Act, and is requesting clarifications from Ottawa. The Committee has adjourned until further information is available.

By the time the information sought had been obtained, the Federal House had adjourned without considering the National Health Insurance legislation. There was, therefore, no object in calling further meetings of this Committee.

In a letter from the Honourable Ian Mackenzie, dated August 19th, 1943, reference is made to a plan to have Federal representatives sent to each province to discuss the Health Insurance proposals. This plan has not materialized as far as Alberta is concerned.

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